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THE ENVIRONMENT FUND AND ADMINISTRATIVE AND OTHER FINANCIAL MATTERS

PROGRAMME AND PROGRAMME SUPPORT COSTS OF THE ENVIRONMENT FUND: PERFORMANCE REPORT AND PROPOSED REVISED BUDGET FOR THE BIENNIUM 1990-1991 AND PROPOSED BUDGET FOR THE BIENNIUM 1992-1993

Report of the Executive Director

Addendum

RECENT DEVELOPMENTS REGARDING THE PROPOSED PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET FOR THE BIENNIUM 1992-1993

Summary

The present report contains changes in the proposals contained in part two (chapters IV-VI) of the report of the Executive Director on the programme and programme support costs of the Environment Fund (UNEP/GC.16/22), in the light of developments since that report was prepared. It summarizes in table form the consequences of these developments and also presents the revised action sought from the Council at its sixteenth session in the light of these new developments.

Suggested action by the Governing Council

"The Governing Council,

"Recalling paragraph 4 of its decision 15/45 of 18 May 1989, by which it approved an appropriation of $29,087,000 for the programme and programme support costs budget for the biennium 1990-1991, as well as section VI, paragraph 6, of its decision 15/1 of 25 May 1989, by which it approved a further supplementary appropriation of $3.17 million to be used by the Executive Director during the biennium 1990-1991 only as and when he was in a position to fill some or all of the posts approved by the Council within the programme and programme support costs budget,

"Having considered the performance report on the programme and programme support costs budget for the biennium 1990-1991, which reviews the implementation of the budget as at 31 December 1990, as well as the proposed budget for the biennium 1992-1993 as set out in his report on programme and programme support costs and as revised in his report on relevant recent developments, together with the related comments of the Advisory Committee on Administrative and Budgetary Questions,

"1. Takes note of the performance report on the programme and programme support costs budget for the biennium 1990-1991 and the related report of the Advisory Committee on Administrative and Budgetary Questions;

"2. Notes that the Executive Director was able to contain the programme and programme support costs in 1990 within the yardstick established in paragraph 2 of Council decision 12/19 of 28 May 1984 of 33 per cent of estimated contributions and that he will endeavour to do so in 1991;

"3. Reconfirms the total appropriation of $32,257,000 including the supplementary appropriation, previously authorized for 1990-1991 with the revised distribution by programme and object of expenditure proposed by the Executive Director;

"4. Approves an initial appropriation of $37,129,000 for programme and programme support costs budget for the biennium 1992-1993 with the expenditure pattern by programme and object of expenditure proposed in those estimates;

"5. Further approves a supplementary appropriation for programme and programme support costs 1992-1993 of $4,001,600, including $1,601,100 towards the construction of new office accommodation and $2.4 million towards the creation of new posts, making a total appropriation of $41,130,600;

"6. Requests that should there be a shortfall in the level of contributions to the Environment Fund from the targetted level of $210 million, the Executive Director will continue to keep programme and programme support costs expenditures within 33 per cent of contributions and at the same time approve allocations in accordance with the following order of priority:

	Millions of dollars
Programme and programme support costs as proposed in the Executive Director's original Report on the subject (UNEP/GC.16/22)	35.24
Loan to the regular budget for the construction of new office accommodation	3.49
Supplementary appropriation for programme and programme support costs other than the costs of construction of new office accommodation	2.40
Total	41.13

"7. Further requests that the supplementary appropriation of $2.40 million for Programme and programme support costs other than the costs of construction of new office accommodation only be utilized after the following allocations for Fund programme and Fund programme reserve activities have been made:

	Millions of dollars
Core programme of Fund activities	150.00
Fund programme reserve	10.00
Supplementary programme of Fund activities	30.00
Total	190.00

"8. Approves under the initial appropriation of $37,129,000 for the biennium 1992-1993 the creation of one D-1, one P-5, two P-3 and four local-level posts in the Clearing-house Unit of the Office of the Executive Director;

"9. Approves the Executive Director's proposals to transfer from the programme and programme support costs budget to the Fund programme budget one P-5, one P-4 and two local-level posts in the Environmental Law and Institutions Unit of the Office of the Environment Programme in light of Council's decision to reconstitute that Unit as a programme activity centre;

"10. Approves under the supplementary appropriation of for the biennium 1992-1993, the creation of an additional 23 Professional and 32 local-level posts, as follows:

(a) Office of the Environment Programme. One D-1 (environmental economics), six P-5 (atmosphere, soils, human health, energy, environmental economics and oceans), four P-4 (water, desertification, biodiversity and environmental training) and twelve local-level posts;

(b) Office of the Executive Director. One P-5 (inter-agency affairs, involving CIDIE, DOEM, ACC and subsidiary bodies) and one local-level posts;

(c) Conferences and Governing Council Service. Transfer of six P-4, one P-2 and 15 local-level posts from Fund programme activities to the programme and programme support costs budget;

(d) Administrative Service. One D-1, one P-4, two P-3 and four local-level posts to strengthen the electronic data processing and management information systems units;

"11. Requests the Executive Director to administer the appropriation for the programme and programme support costs budget for the biennium 1992-1993 with the utmost economy and restraint consistent with the effective implementation of the environment programme, bearing in mind the availability of resources;

"12. Further requests the Executive Director to report to the Governing Council at its seventeenth regular session on the implementation of the programme and programme support costs budget during the first year of the biennium 1992-1993."

RECENT DEVELOPMENTS REGARDING THE PROPOSED PROGRAMME AND SUPPORT SUPPORT COST BUDGET FOR THE BIENNIUM 1992-1993

1. Since the preparation of his report on programme and programme support costs (UNEP/GC.16/22 and Corr.1 (English only) and Corr.2), the Executive Director has been informed by the Programme Planning and Budget Division (PPBD) of United Nations Headquarters that out of 61 new posts requested for inclusion under section 17 of the proposed United Nations regular budget for the biennium 1992-1993 (UNEP/GC.16/22, para. 35), only two posts (one P-5 in the Office of the Environment Programme and one P-4 in the Administrative Service) were approved by the Programme Planning and Budget Board (PPBB) for inclusion in the Secretary General's proposals to the General Assembly.

2. To ensure programme delivery and in order to strengthen UNEP in line with General Assembly resolution 44/229, the Executive Director is requesting the Council to agree to a transfer of 23 professional and 32 local-level posts (out of those rejected by PPBB as indicated above) from his 1992-1993 regular budget submission, and include them in the proposals for 1992-1993 programme and programme support costs (PPSC) budget. This measure would bring the number of new PPSC posts requested for Council approval to 25 Professional and 34 local-level. Accordingly, the Executive Director is requesting an additional $2.40 million in 1992-1993 under a supplementary appropriation to fund these new posts. These posts would only be filled as and when sufficient resources become available as described in the Executive Director's updated report on the use of resources in 1990-1991 and the proposed use of projected resources in 1992-1993 and 1994-1995 (UNEP/GC.16/23/Add.1).

3. Furthermore, as a result of design changes and higher costs based on firm quotations, the project for the construction of additional office accommodation at the United Nations office, Nairobi, is now estimated to cost an additional $1,601,100, bringing the total cost of the project to $6,000,000. It is proposed that the Environment Fund loans this amount to the regular budget (UNEP/GC.16/22, paragraphs 15-17). Overall, it is now proposed that $2.51 million be lent in 1991 and $3.49 million in 1992. Repayment of the loan will be effected by a full remission of rent paid by UNEP to the regular budget in 1992, 1993 and 1994 with the outstanding balance paid in cash at the end of 1994. At the time this document was prepared, formal proposals for this loan had not been received from United Nations Headquarters nor had the comments of the Advisory Committee on Administrative and Budgetary Questions on the construction proposal and the financing arrangements for the project.

4. The effects of these new proposals are set out in tables 1, 2, 3 and 4 below, and can be summarized as follows:

(a) Actual resource growth will increase from $2,373,600 (original proposal) to $6,375,200;

(b) The proposed 1992-1993 PPSC appropriation will increase from $37,129,000 (original proposal) to $41,130,600, but $2,400,500 of this sum would only be used if sufficient resources are available as set out in the Executive Director's updated report on the use of resources in 1990-1991 and the proposed use of projected resources in 1992-1993 and 1994-1995 (UNEP/GC.16/23/Add.1);

(c) Real growth, after taking into account delayed recruitment factors, will increase from 7.6 per cent (original proposal) to 20.8 per cent.

Table 1. PPSC: analysis of additional requirements by object of expenditure (1992-1993)
(Thousands of US dollars)

		1990-1991 appropriation		1992-1993 appropriation original request		Supplementary 1992-1993 request	Revised Proposed 1992-1993 estimates
		Approved	Proposed revised	Proposed increase	Proposed estimates		
	Salaries						
010	Established posts	14 726.8	12 203.6	2 365.3	14 568.9	1 564.9	16 133.8
030	General temporary assistance	594.9	570.7	66.1	636.8	-	636.8
040	Consultants	975.3	1 231.5	317.2	1 548.7	-	1 548.7
050	Overtime	142.4	171.4	21.7	193.1	-	193.1
060	Ad Hoc expert groups	338.7	355.7	56.0	411.7	-	411.7
080	Training	75.7	79.5	12.6	92.1	-	92.1
	Subtotal, salaries	16 853.8	14 612.4	2 838.9	17 451.3	1 564.9	19 016.2
100	Common staff costs	7 488.2	6 180.8	1 123.4	7 304.2	835.6	8 139.8
240	Travel on official business	1 264.3	1 647.5	356.7	2 004.2	-	2 004.2
300	Contractual services	154.0	155.8	1.9	157.7	-	157.7
	General operating expenses						
400	General operating expenses of regional offices Nairobi headquarters:	1 207.1	1 260.9	127.6	1 388.5	-	1 388.5
410	Rental and maintenance of premises	1 530.6	1 567.6	(1 493.8)	73.8	-	73.8
430	Rental and maintenance of equipment	610.2	703.7	370.9	1 074.6	-	1 074.6
440	Communications	1 409.5	1 409.0	366.5	1 775.5	-	1 775.5
450	Hospitality	11.3	11.3	1.8	13.1	-	13.1
490	Miscellaneous services	163.5	120.7	19.1	139.8	-	139.8
Subtotal, general operating expenses		4 932.2	5 073.2	(607.9)	4 465.3	-	4 465.3
500	Supplies and materials	761.5	1 177.2	362.3	1 539.5	-	1 539.5
600	Furniture and equipment	671.1	776.9	1 400.8	2 177.7	-	2 177.7
700	New premises (including additions)	12.8	2 514.1	(623.2)	1 890.9	1 601.1	3 492.0
800	Fellowships, grants and contributions	119.1	119.1	19.1	138.2	-	138.2
	TOTAL	32 257.0	32 257.0	4 872.0	37 129.0	4 001.6	41 130.6

Table 2. PPSC: analysis of additional requirements by programme (1992-1993)
(Thousands of US dollars)

	1990-1991 appropriation		1992-1993 appropriation original request		Supplementary 1992-1993 request	Revised 1992-1993 estimates
	Approved	Proposed revised	Proposed increase	Proposed estimates		
A. Executive direction and management						
1. Office of the Executive Director	3 459.5	3 290.4	1 258.7	4 549.1	108.1	4 657.2
B. Programmes of activity						
1. Regional representation	7 501.7	6 528.5	751.8	7 280.3	-	7 280.3
2. Environment programme	6 533.9	6 055.7	612.0	6 667.7	1 173.1	7 840.8
Subtotal, programmes of activity	14 035.6	12 584.2	1 363.8	13 948.0	1 173.1	15 121.1
C. Programme support						
1. Management of the Fund	3 018.1	2 540.6	766.0	3 306.6	-	3 306.6
2. Conference services	1 479.6	1 462.6	204.2	1 666.8	750.1	2 416.9
3. Administrative service	10 264.2	12 379.2	1 279.3	13 658.5	1 970.3	15 628.8
Subtotal, programme support	14 761.9	16 382.4	2 249.5	18 631.9	2 720.4	21 352.3
Total	32 257.0	32 257.0	4 872.0	37 129.0	4 001.6	41 130.6

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Table 3. PPSC: analysis of real growth by programme (1992-1993)
(after inclusion of SUPPLEMENTARY PPSC BUDGET)
(Thousands of US dollars)

	(1)	(2)	(3) Resource growth	(4)	(5)	(6)
	Revalued resource base a/	Actual	Less non-recurrent items	Plus delayed growth b/	Adjusted	Real growth: percentage of (5) to (1)
A. Executive direction and management						
1. Office of the Executive Director	3 651.0	623.0	-	455.1	1 078.0	29.5
B. Programmes of activity						
1. Regional representation	6 815.3	-	-	-	-	-
2. Environment programme	6 318.7	858.6	-	1 056.3	1 914.9	30.3
Subtotal, programmes of activity	13 134.1	858.6	-	1 056.3	1 914.9	14.6
C. Programme Support						
1. Management of the Fund	2 993.0	-	-	-	-	-
2. Conference services	1 508.4	750.1	-	317.9	1 067.9	70.8
3. Administrative service	10 543.7	4 143.5	1 906.9	338.7	2 575.3	24.4
Subtotal, programme support	15 045.0	4 893.6	1 906.9	656.5	3 643.2	24.2
Total	31 830.1	6 375.2	1 906.9	2 167.9	6 636.1	20.8

a/ Proposed revised 1990-1991 appropriation revalued at 1991 rates.

b/ New posts.

Table 4. Summary of 1992-1993 additional post requirements by programme, category and grade

	Approved Staffing Table 1990-1991	Original proposed Changes 1992-1993	Original Proposed Staffing Table 1992-1993	Proposed supplementary post requirements by programme						Net Additional Post requirement increase (decrease)	Revised proposed Staffing Table 1992-1993
				Executive direction and management	Regional representation	Environment programme	Management of the Fund	Conference services	Administrative service		
Professional and higher categories											
ASG	1	-	1	-	-	-	-	-	-	-	1
D-2	7	-	7	-	-	-	-	-	-	-	7
D-1	7	1	8	-	-	1	-	-	1	3	10
P-5	17	-	17	1	-	6	-	-	-	7	24
P-4	21	(1)	20	-	-	4	-	6	1	10	31
P-3	31	2	33	-	-	-	-	-	2	4	35
P-2/1	8	-	8	-	-	-	-	1	-	1	9
Total	92	2	94	1	-	11	-	7	4	25	117
Other categories											
Local level	199	2	201	1	-	12	-	15	4	34	233
Total	199	2	201	1	-	12	-	15	4	34	233
GRAND TOTAL	291	4	295	2	-	23	-	22	8	59	350